



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-1459-N]

Medicare Program; Notification of Closure of Teaching Hospitals and Opportunity to Apply for Available Slots

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice announces the closure of two teaching hospitals and the initiation of an application process where hospitals must apply to the Centers for Medicare & Medicaid Services (CMS) for consideration of Infirmity West Hospital's and Montgomery Hospital's full time equivalent (FTE) resident cap slots.

DATES: We will consider applications received no later than 5 p.m. (e.s.t) **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER.]** Applications must be received, not postmarked, by this date.

FOR FURTHER INFORMATION CONTACT:

Miechal Lefkowitz, (212) 616-2517.

SUPPLEMENTARY INFORMATION:

I. Background

Section 5506 of the Patient Protection and Affordable Care Act (Pub. L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152) (collectively, the "Affordable Care Act"), "Preservation of Resident Cap Positions from Closed Hospitals," authorizes the Secretary to redistribute residency slots after a hospital that trained residents in an approved medical residency program closes.

Specifically, section 5506 of the Affordable Care Act amended the Social Security Act (the Act) by adding subsection (vi) to section 1886(h)(4)(H) of the Act and modifying language at section 1886(d)(5)(B)(v) of the Act, to instruct the Secretary to establish a process to increase the full time equivalent (FTE) resident caps for other hospitals based upon the FTE resident caps in teaching hospitals that closed “on or after a date that is 2 years before the date of enactment” (that is, March 23, 2008). In the November 24, 2010 Calendar Year (CY) 2011 Outpatient Prospective Payment System (OPPS) final rule (75 FR 72212), we established regulations and an application process for qualifying hospitals to apply to CMS for consideration of the direct graduate medical education (GME) and indirect medical education (IME) FTE resident cap slots from the hospital that closed. We made certain modifications to those regulations in the Fiscal Year (FY) 2013 Hospital Inpatient Prospective Payment System and FY 2013 Long Term Care Hospital Prospective Payment System final rule (FY 2013 IPPS/LTCH PPS final rule (77 FR 53434 through 53447)).

II. Provisions of the Notice

a. Notice of Closure of Teaching Hospitals and Application Process.

CMS has learned of the closure of two teaching hospitals; Infirmity West Hospital of Mobile, AL and Montgomery Hospital of Morristown, PA. The purpose of this notice is to notify the public of the closure of these two teaching hospitals, and to initiate another round of the application and selection process described in section 5506 of the Affordable Care Act. This round will be the fifth round (“Round 5”) of the application and selection process. The table below identifies the two closed teaching hospitals, which are part of the Round 5 application process under section 5506 of the

Affordable Care Act:

Teaching Hospitals Closure

Provider Number	Provider Name	City and State	CBSA Code	Terminating Date	IME Cap (including +/- MMA Sec. 422 ¹ and +/- ACA Sec. 5503 ² Adjustments)	Direct GME Cap (including +/- MMA Sec. 422 ¹ and +/- ACA Sec. 5503 ² Adjustments)
010152	Infirmiry West Hospital	Mobile, AL	33660	November 1, 2012	10.08 +21.66 section 422 increase =31.74 ³	10.08 + 21.76 section 422 increase =31.84 ⁴
390108	Montgomery Hospital	Morris-town, PA	37964	October 16, 2012	17.16 – 0.60 = 16.56 ⁵	15.33

¹ Section 422 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Pub. L. 108-173, redistributed unused residency slots effective July 1, 2005.

² Section 5503 of the Affordable Care Act, P. L. 111-148, redistributed unused slots effective July 1, 2011.

³ Infirmiry West's 1996 IME FTE cap is 10.08. Under section 422 of the MMA, the hospital received an increase of 21.66 to its IME FTE cap: 10.08+21.66=31.74. We note that, under 42 CFR 412.105(d)(4), IME FTE cap slots associated with an increase received under section 422 of the MMA are to be paid using a special multiplier of 0.66.

⁴ Infirmiry West's 1996 direct GME FTE cap is 10.08. Under section 422 of the MMA, the hospital received an increase of 21.76 to its direct GME FTE cap: 10.08+21.76=31.84. We note that under 42 CFR 413.77(g), direct GME FTE cap slots associated with an increase received under section 422 of the MMA are to be paid using the appropriate locality-adjusted national average per resident amount (PRA).

⁵ Montgomery Hospital's 1996 IME FTE cap is 17.16. Under section 5503 of the ACA, the IME FTE cap was reduced by 0.60: 17.16 – 0.60 = 16.56.

b. Application Process for Available Resident Slots.

The application period for hospitals to apply for slots under section 5506 of the Affordable Care Act is 90 days following notification to the public of a hospital closure. Therefore, hospitals wishing to apply for and receive slots from the above hospitals' FTE resident caps must submit applications directly to the CMS Central Office no later than

[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER.] In previous rounds of section 5506 of the Affordable Care Act, hospitals submitted applications to their respective CMS Regional Office. However, under this round (Round 5), hospitals need not submit applications to their respective CMS Regional Office. The mailing address for the CMS Central Office is included on the application form. Applications must be received by the **[INSERT DATE 90 DAYS**

AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER.] deadline date. It is not sufficient for applications to be postmarked by this date. After an applying hospital sends a hard copy of a section 5506 application to the CMS Central Office mailing address, we strongly encourage the hospital to send an email to: ACA5506application@cms.hhs.gov. In the email, the hospital should state: “I am sending this email to notify CMS that I have mailed a hard copy of a section 5506 application to CMS.” An applying hospital should not attach an electronic copy of the application to the email. The email will only serve to notify CMS Central Office that a hard copy application has been mailed to CMS Central Office.

In the CY 2011 OPPS/ASC final rule with comment period, we did not establish a deadline by when CMS would issue the final determinations to hospitals that receive slots under section 5506 of the Affordable Care Act. However, we will review all applications received by the deadline, and notify applicants of our determinations as soon as possible.

We refer readers to the CMS web site at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/dgme.html> to download a copy of the application form (Section 5506 CMS Application Form) that hospitals are to use to apply for slots under section 5506 of the Affordable Care Act. We also refer readers to this same web site to access a copy of the CY 2011 OPPS/ASC final rule with comment period, a copy of the FY 2013 IPPS/LTCH PPS final rule (77 FR 53434 through 53447), and a list of additional section 5506 guidelines for an explanation of the policy and procedures for applying for slots, and the redistribution of the slots under sections 1886(h)(4)(H)(vi) and 1886(d)(5)(B)(v) of the Act.

III. Collection of Information Requirements

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35). Furthermore, the information collection requirements associated with the preservation of resident cap positions from closed hospitals are not subject to the Paperwork Reduction Act, as stated in section 5506 of the Affordable Care Act.

(Catalog of Federal Domestic Assistance Program No. 93.773 Medicare--Hospital Insurance Program; and No. 93.774, Medicare--Supplementary Medical Insurance Program)

Dated: May 24, 2013

Marilyn Tavenner,
Administrator,
Centers for Medicare & Medicaid Services.

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